

Message Text

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ORIGIN DLOS-09

INFO OCT-01 EUR-12 ISO-00 ACDA-12 AGRE-00 AID-05
CEA-01 CEQ-01 CG-00 CIAE-00 COME-00 DODE-00
DOTE-00 EB-08 EPA-01 SOE-02 DOE-15 FMC-01 TRSE-00
H-01 INR-10 INT-05 IO-13 JUSE-00 L-03 NSAE-00
NSC-05 NSF-01 OES-07 OMB-01 PA-01 PM-05 SP-02
SS-15 ICA-11 OIC-02 /150 R

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APPROVED BY S/AR:AMBASSADOR RICHARDSON
S/AR:AGJAMES

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FM SECSTATE WASHDC
TO AMEMBASSY MOSCOW

CONFIDENTIAL STATE 158686

E.O. 11652: GDS

TAGS: PLOS

SUBJECT: RESPONSE TO YAKOVLEV VIEWS ON SEABED MINING
FINANCIAL ARRANGEMENTS

REF: MOSCOW 13894

1. YAKOVLEV SHOULD BE MADE AWARE THAT THE U.S. CONSIDERS THE SO-CALLED QUOTE COMPROMISE UNQUOTE PROPOSAL OF THE SOVIET UNION ON FINANCIAL ARRANGEMENTS TO BE VERY DISRUPTIVE. IF THE SOVIET UNION IS INTERESTED IN A COMPREHENSIVE TREATY, IT IS DIFFICULT TO UNDERSTAND WHY THEY HAVE MADE SUCH A DISRUPTIVE OFFER IN AN AREA WHERE THEY HAVE LITTLE INTEREST BECAUSE THEY ARE UNLIKELY TO 3E IN THE FIRST GENERATION OF SEABED MINERS.

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2. BECAUSE THE SOVIETS WILL NOT BE FIRST-GENERATION MINERS, IN EFFECT THEIR OFFER IS GENEROUS WITH THE MONEY OF U.S. PRIVATE COMPANIES, WHICH HAVE BEEN VIGOROUSLY ATTACKING U.S. POSITIONS TAKEN AT THE SEVENTH SESSION. SUCH ATTACKS ARE MADE WITH THE PURPOSE OF HARDENING THE U.S. NEGOTIATING POSITION AND IT SHOULD BE NOTED

THAT THIS INDUSTRY IS NOT WITHOUT POLITICAL INFLUENCE.

3. IF THE SOVIETS WISH TO FACILITATE FINANCIAL ARRANGEMENTS NEGOTIATIONS AND THEREFORE FACILITATE THE NEGOTIATIONS OF PART XI AS A WHOLE, THE MOST EFFECTIVE THING THAT THEY COULD DO IN THIS REGARD IS TO MODERATE THEIR PRESENT PROPOSAL OF A FLAT 7 1/2 PERCENT ROYALTY. THE SOVIET FINANCIAL ARRANGEMENTS NEGOTIATORS HAVE INDICATED PRIVATELY BOTH TO THE U.S. AND TO SOME MEMBERS OF THE G-77 THAT THEY MIGHT GO AS HIGH AS A FLAT 12 1/2 PERCENT ROYALTY. SUCH AN OFFER NOT ONLY COULD NOT BE MATCHED BY THE U.S. BUT ALSO WOULD UNBALANCE THE NEGOTIATIONS TO THE EXTENT THAT NO FEASIBLE U.S. PROPOSAL WOULD LOOK REASONABLE.

4. REGARDING YAKOVLEV'S CRITICISM OF THE U.S. POSITION CONCERNING THE ALLOCATION OF SEATS IN THE COUNCIL OF THE AUTHORITY, PLEASE ASK HIM FOR MORE DETAILS. VANCE

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Message Attributes

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